

Internal Revenue Service

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Washington, DC 20224

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Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:PSI:B01
PLR-137174-14

Date:
February 20, 2015

X =

Y =

Country =

Date 1 =

Dear

This responds to a letter dated September 30, 2014, submitted on behalf of X by its authorized representative, requesting an extension of time under § 301.9100 of the Procedure and Administration Regulations to file an election under § 301.7701 to be treated as a disregarded entity for federal tax purposes.

Facts

The information submitted states X is an entity organized on Date 1, under the laws of Country. Y is the sole shareholder of X. X represents that, as of Date 1, it was a foreign entity eligible to elect to be disregarded as an entity separate from its owner. However, X failed to timely file a Form 8832, Entity Classification Election, electing to treat X as a disregarded entity for federal tax purposes effective Date 1.

X represents that Y has consistently filed U.S. tax returns consistent with the treatment of X as a disregarded entity. X also represents that granting relief will not prejudice the interests of the government and that hindsight is not involved in seeking relief to file a late election. X further represents that such relief will not lower X's aggregate tax liability for the tax years affected by the election.

Law and Analysis

Section 301.7701-3(a) provides that a business entity that is not classified as a corporation under § 301.7701-2(b)(1), (3), (4), (5), (6), (7), or (8) (an eligible entity) can elect its classification for federal tax purposes as provided in § 301.7701-3.

Section 301.7701-3(b)(2) provides guidance on the classification of a foreign eligible entity for federal tax purposes. Generally, a foreign eligible entity is treated as an association if all members have limited liability, unless the entity makes an election to be treated otherwise. A foreign eligible entity with a single member having limited liability may elect to be treated as a disregarded entity pursuant to the rules of § 301.7701-3(c).

Section 301.7701-3(c)(1)(i) provides that an eligible entity may elect to be classified other than as provided under § 301.7701-3(b) by filing Form 8832, Entity Classification Election, with the appropriate campus. Under § 301.7701-3(c)(1)(iii), this election will be effective on the date specified by the entity on Form 8832 or on the date filed if no such date is specified. The date specified on the Form 8832 cannot be more than 75 days prior to the date on which the election is filed.

Section 301.9100-1(c) provides that the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in §§ 301.9100-2 and 301.9100-3, to make a regulatory election, or a statutory election (but no more than six months except in the case of a taxpayer who is abroad), under all subtitles of the Code, except subtitles E, G, H, and I. Section 301.9100-1(b) defines the term “regulatory election” as an election whose due date is prescribed by a regulation published in the Federal Register or a revenue ruling, revenue procedure, notice, or announcement published in the Internal Revenue Bulletin.

Sections 301.9100-1 through 301.9100-3 provide the standards the Commissioner will use to determine whether to grant an extension of time to make the election. Section 301.9100-2 provides the rules governing automatic extensions of time for making certain elections. Section 301.9100-3 provides the standards the Commissioner will use to determine whether to grant an extension of time for regulatory elections that do not meet the requirements of § 301.9100-2.

Under § 301.9100-3, a request for relief will be granted when the taxpayer provides evidence to establish to the satisfaction of the Commissioner that (1) the taxpayer acted reasonably and in good faith, and (2) granting relief will not prejudice the interests of the government.

Conclusion

Based solely on facts submitted and the representations made, we conclude that the

requirements of § 301.9100-3 have been satisfied. As a result, X is granted an extension of time of 120 days from the date of this letter to file a Form 8832 with the appropriate service center and elect to be treated as a disregarded entity for federal tax purposes effective Date 1. A copy of this letter should be attached to the Form 8832. A copy is enclosed for that purpose.

This ruling is contingent upon X and its owner filing within 120 days of this letter any and all required Federal income tax and information returns consistent with the requested relief being effective Date 1. These returns must include, but are not limited to, all required Forms 8858, Information Return of U.S. Persons with Respect to Disregarded Entities.

Except as specifically set forth above, no opinion is expressed concerning the federal tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

This ruling is directed only to the taxpayer(s) requesting it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent your taxpayer representatives.

Sincerely,

Associate Chief Counsel
(Passthroughs & Special Industries)

By: Laura C. Fields
Laura C. Fields
Senior Technician Reviewer, Branch 1
(Passthroughs & Special Industries)

Enclosures (2)
Copy of this letter
Copy for § 6110 purposes

cc: